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Transaction Control Regulations

Treasury has been giving further consideration to the question of Transaction Control Regulations and technical data. It has now concluded that it would be preferable for the first full paragraph on page 2 of Tab 10 to read as follows:

'In general, Treasury does not believe that American-controlled firms abroad produce important technical data in significant quantities. To the extent, however, that technical data relating to merchandise which is itself covered by the Transaction Control Regulations is originated abroad by American-controlled firms, Treasury would see no objection in principle to covering such technical data under the Transaction Controls, subject, however, to the same observations as previously stated regarding any extension of the Transaction Control Regulations. It should be noted, however, that the application of Transaction Control Regulations to technical data (and to a certain extent these Regulations have been so applied on an interim basis while Commerce considers the matter) only goes to a minor part of the problem. It seems to Treasury that the controls over technical data, to the extent that they are needed, are required across the board--and this over-all mandatory control can only be accomplished under the Export Control Regulations. In other words, the major aspect of the problem is where a foreign, non-American controlled, company obtains technical data from a firm in the United States and sends it, or its fruits, to the Soviet bloc--and this type of conduct cannot well be reached under the Transaction Control Regulations.'

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